

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7027**

**BILL NUMBER:** HB 1610

**NOTE PREPARED:** Jan 24, 2015

**BILL AMENDED:**

**SUBJECT:** Publication of Notice.

**FIRST AUTHOR:** Rep. McMillin

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires, beginning July 1, 2016, a public entity to publish notice of certain events on the public entity's Internet web site. It provides that a public entity may publish notice of an event in any other publication in addition to publishing notice on the public entity's Internet web site. It provides that certain statutes relating to giving notice expire July 1, 2016. It reorganizes certain other statutes relating to the giving of notice by a public entity.

The bill also requires the Legislative Services Agency to prepare legislation for introduction in the 2016 regular session of the General Assembly to make appropriate changes in statutes as required by the new statutes relating to publication of notice.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** *Summary* - This bill could potentially decrease costs for state and local public entities to post legal advertising to an Internet web site rather than in a newspaper. Any increase in expenditures necessary to place legal notices on a web site would likely be minimal and would be offset by the cost savings of not publishing the notices in a newspaper. Also, cost savings would be less to the extent that entities continue to provide notice in publications. Ultimately, the fiscal impact will depend upon administrative decisions.

(Revised) *Additional Information* - State agencies, boards and commissions reported an annual average of about \$280,000 in legal advertising expenses for FY 2012-FY 2014. State educational institutions that provided information regarding their legal advertising expenses reported an annual average of about \$30,000

in expenses for FY 2012-FY 2014. Using their reported legal advertising expenses, the total legal advertising expenses for all state educational institutions could be about \$60,000 on average annually.

Using 2013 local unit annual financial report data, the following estimates were made regarding the average cost of legal advertising.

<b>Unit Type</b>	<b>Estimated Annual Expenditures Per Unit</b>	<b>Number of Units Reporting</b>
County	\$31,399	73
City	9,354	107
Town	537	387
Township	226	4
School District	7,629	367

The annual financial report data for counties, cities, and towns captures advertising and printing costs, which overstates legal advertising costs. The data were reviewed to remove items that may not be legal advertising based on the department to which the cost is assigned, and then the average cost per unit was calculated. The city of Indianapolis, Marion County is not included among these data, but publishes their budget by account on its website and total legal advertising expense for the adopted 2015 budget is \$54,750 total. Township data indicate the vendor name, but do not indicate a line-item; therefore only four units had clearly indicated legal advertising expenses.

The bill defines public entity as the following:

- (1) An authority, a board, a branch, a commission, a committee, a department, a division, or another instrumentality of the executive, including the administrative, department of state government.
- (2) A state educational institution.
- (3) A political subdivision (as defined in IC 36-1-2-13).
- (4) Any other person required by Indiana law to publish notice.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** Agencies required to provide public notice.

**Local Agencies Affected:** Agencies required to provide public notice.

**Information Sources:** Indiana Transparency Portal; Indiana Gateway for Local Government Units; Department of Education Biennial Reports; Cynthia Brinker, University of Southern Indiana; Diann McKee, Indiana State University; Andrew Young, Vincennes University; Jeffrey Terp, Ivy Tech Community College;

<http://www.indy.gov/eGov/City/OFM/Finances/City/Documents/2015/Expense%20by%20Entity%20Account%20Detail%2011.24.14.pdf>.

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